

city of edmonds development information



BOND REQUIREMENTS AND PROCEDURES

GENERAL INFORMATION

Edmonds Community Development Code Sections 17.10, 20.75.130 and 20.15B.080F require Performance Bonds to be posted on commercial and multifamily projects, and on subdivisions (plats and short plats) to ensure all required site and public improvements are completed before the building is occupied (commercial/multifamily) and within one year of approval for subdivisions (plats and short plats). The bond amount is to cover the full cost of all required site improvements, including utilities, storm drainage and landscaping, and is based on the approved civil and landscape plans. The bond must be posted prior to permit (building or plat) issuance.

After all site and public improvements are installed and inspected by the appropriate City Departments, a two year Maintenance Bond is posted with the City to ensure the improvements will be maintained (bond amount is 15% of the original performance bond amount). The Maintenance bond must be posted prior to the release of the Performance Bond and prior to occupancy (when applicable).

TYPES OF BONDS

There are two types of “bonds” or financial guarantees that the City accepts for both Performance and Maintenance bonding.

- a. “Bonding Company Bond”. The developer or general contractor obtains a bond from a bonding or insurance company for the total amount of all site improvements as approved by the Engineering Program Manager and ADB Planner (the planner who worked with the Architectural Design Board (ADB) on the project). Only a licensed and bonded company can get a bond from a bonding company. The City has an approved form that is used by the bonding company. A contact person from the bonding company and a phone number must be specified on page two of this form and the bond must be notarized. Individuals cannot obtain a bonding company bond because they do not have the public liability insurance that the bonding company requires.
- b. “Frozen Fund”. This type of bonding allows a developer, owner or general contractor to create a frozen fund account (place money in a special account) at their bank for the total amount of all site improvement as approved by the Engineering Program Manager and ADB Planner. Like the bonding company form, this is an approved form that must be notarized, and includes the account number, bank contact person and phone number.

Note: If a developer wants to submit any other kind of financial guarantee, it must be approved by the City Attorney.

PERFORMANCE BONDS

The City will accept a Performance Bond from a developer, owner or general contractor on a project. The maximum bonding period is one year (this corresponds with the life of the building permit and time limit to complete plat and short plat improvements after plat/short plat approval). On extremely large projects, bonds may initially be posted for two years. The Engineering Program Manager determines what public and private improvements are required to be bonded for a specific project and establishes the bond amount based on the approved civil plans and the estimate submitted. Typically these include but are not limited to:

- a. Storm Sewer
- b. Sanitary Sewer
- c. Water System
- d. Curb, Gutter & Sidewalk
- e. Paving & Striping
- f. Grading & Temporary Erosion Control & Rockeries/Retaining Walls
- g. Fire Hydrant
- h. Street Lighting (if applicable)
- i. Landscaping: The Planning Division requires that ADB-approved landscaping is also a bonded site improvement item. The landscaper provides a written estimate based on the approved landscaped plan, and the ADB Planner approves the amount.

For commercial and multi-family building permits only, a performance bond will be required only for all required public improvements, but not for private site improvements. For subdivisions (plats and short plats), a performance bond must be posted for all site improvements, both private and public.

MAINTENANCE BONDS

Maintenance Bonds are required to ensure the maintenance of the site improvements and to guarantee against defects of workmanship and materials for a period of two years from the date of final project approval. The amount of the Maintenance Bond is calculated as 15% of the original Performance Bond amount. The Maintenance Bond must be in place before the City will release any of the Performance Bond (bonding company) or the remainder of any Frozen Funds. Grading and site demolition, although part of a performance bond, will not be included in the Maintenance Bond amount.

DETERMINING BOND AMOUNT

Performance bond amounts are determined by an engineer's cost estimate or contractor's bid for the full cost (including labor, material, equipment, supervision, overhead, profit, etc.) of all required site and public improvements and landscape work, etc. as shown on the approved civil plans. All estimates or bids must be itemized and must include material, quantities, units and total unit price. The engineer's estimate or contractor's bid must include all site improvements, both public and private. For commercial and multi-family projects only, the estimate or bid must

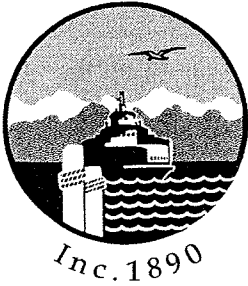
indicate the private and the public improvements separately. Although, for commercial and multi-family projects, the bond amount is based only upon the public improvements, the 2.2% engineering inspection fee is based upon both the public and private improvements. The engineer's estimate or contractor's bid submitted by the developer or his/her designated point of contact will be reviewed and verified by the Engineering Program Manager and the ADB Planner. When the estimate or bid is verified and approved by the Engineering Division, the approved estimate or bid is then multiplied by 1.2 to determine the Performance Bond amount. This additional amount is added to cover prevailing wages, oversight, and other such costs to represent the full cost to the City to complete the construction/installation of the improvements should the developer fail to complete the site improvements.

Once the engineer's estimate or contractor's bid is verified and the bond amount is established and approved/accepted by the Engineering Division, the bond amount will not be subsequently adjusted for changes in scope of work, materials, methods, quantities, increases or decreases, etc. that may be elected by the developer.

BOND RELEASE

- a. Performance Bond (bonding company): This type of Performance bond, whether under a building permit or short plat/subdivision, cannot be released until all bonded site improvements have been completed and approved. Once all the bonded improvements have been approved by the City Inspector, the developer must submit, in writing, a request to release the performance bond. The letter must be addressed to the appropriate Department: Permit Coordinator for building permits; Engineering Division for short plats/subdivisions; and the Planning Division for landscaping. However, before the City can release the bond, a 15% maintenance bond must be submitted. Once the maintenance bond has been submitted and approved, the City will write the bonding company authorizing release of the performance bond.
- b. Performance Frozen Fund: This type of performance bond, whether under a building permit or subdivision (plat or short plat), can only be released as each complete bonded utility or improvement (i.e., all storm, all sewer, etc.) is completed and approved by the City, or it may be released in total at the completion and approval of all bonded site improvements for the entire project. Once the bonded improvements have been approved by the City Inspector, the developer must submit, in writing, a request to release the bond for only those tasks that have been completed. The City reviews the request and, if the work has been approved, will authorize release, via a letter to the lending institution, of those requested funds less 15%, which is held to insure there are sufficient funds left to complete the remaining work. Once all bonded site improvements have been completed and approved, the developer must submit a request for release of the remaining bond amount, but before the City can release those remaining funds, a 15% maintenance bond must be submitted. Once the maintenance bond has been submitted, the City will write the lending institution authorizing release of the remaining frozen funds.
- c. Maintenance Bond (Bonding Company Bond or Frozen Fund Account): Maintenance bonds will only be released upon satisfactory completion of the two year period. Upon completion of the two year period, the developer must submit in writing, a request to

release the maintenance bond or maintenance frozen fund. The letter must be addressed to the appropriate Department: Permit Coordinator for building permits; Engineering Division for short plats/subdivisions; and the Planning Division for landscaping.



CITY OF EDMONDS

121 5TH AVENUE NORTH • EDMONDS, WA 98020 • (425) 771-0220 • FAX (425) 771-0221
Website: www.ci.edmonds.wa.us

DEVELOPMENT SERVICES DEPARTMENT
Planning • Building • Engineering

PERFORMANCE BOND

Date Posted _____

Date Expires _____

Bond No. _____ GARY HAAKENSEN
MAYOR

Edmonds/Subdivision/Plat/Permit No. _____

Project Name _____

Project Address _____

Owner/Developer/Contractor _____

Improvements Bonded For _____

WHEREAS, _____, hereinafter referred to as "the Principal", has applied to the City of Edmonds, hereinafter referred to as "the City", to construct the project known as _____ on a site located at _____ within the City of Edmonds, and

WHEREAS, the City approved the requested action on _____, and

WHEREAS, the approval granted by the City and the provisions of the Edmonds Municipal Code require certain improvements to be made in connection with construction of the project, the improvements are shown on the approved site plan and other required plans and as further defined by the conditions identified in the City file,

NOW, THEREFORE, the undersigned Principal and bonding company, _____, a corporation authorized to transact surety business in the State of Washington, hereinafter referred to as "the Surety", agree and bind themselves, their heirs, executors, administrators and assigns, unto the City in the sum of _____ (\$ _____), lawful money of the United States, according to the following terms and conditions:

1) If the Principal does not complete all improvements required by the above-referenced conditions, plans, and file within _____ weeks/months, then the Surety shall, upon the demand of the City, remit to the City within ten days of receipt of said demand the amount of this bond or such lesser amount as may be specified in the demand.

2) In the event the Principal fails to complete all of the above referenced improvements within the time period specified by the City, its employees and agents shall have the right at their sole election to enter onto said property described above for the purpose of completing the improvements. This provision shall not be construed as creating an obligation on the part of the City or its representatives to complete such improvements.

3) In the event any lawsuit is instituted by the City of Edmonds, the Principal or the Surety to enforce the terms of this bond or to determine the rights of any party hereunder, the prevailing party in such litigation shall be entitled to recover from the losing party its costs, including reasonable attorneys' fees, incurred as a result of such lawsuit.

Incorporated August 11, 1890

Sister City - Hekinan, Japan

4) This bond shall remain in full force and effect until the obligations secured hereby have been fully performed and a bond guaranteeing maintenance of all improvements for a period of two years from acceptance has been submitted to the City in an amount of not less than fifteen percent of the cost of the improvements and in a form suitable to the City, and until released in writing by the City at the request of the Surety or the Principal upon expiration of the period specified in paragraph 1 above.

DATED this _____ day of _____, 20 ____.

BONDING COMPANY

DEVELOPER/OWNER

OFFICER/TITLE

ADDRESS OF DEVELOPER/OWNER

BONDING COMPANY ADDRESS

CITY/STATE/ZIP

CITY/STATE/ZIP

PHONE NUMBER _____

ACCEPTED BY:

CITY OF EDMONDS

DATE _____

SURETY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____ day of _____, 20____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

DEVELOPER/OWNER

Partnership/Sole Proprietor

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____ day of _____, 20____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the sole proprietor/general partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

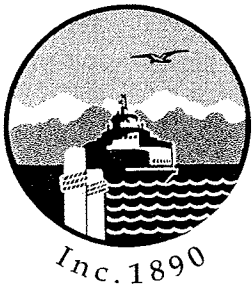
Corporation

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____ day of _____, 20____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at



CITY OF EDMONDS

121 5TH AVENUE NORTH • EDMONDS, WA 98020 • (425) 771-0220 • FAX (425) 771-0221
Website: www.ci.edmonds.wa.us

DEVELOPMENT SERVICES DEPARTMENT
Planning • Building • Engineering

Date Posted _____

Date Expires _____

GARY HAAKENSON
MAYOR

PERFORMANCE BOND - FROZEN FUND

Edmonds Subdivision/Plat/Permit No. _____

Project Name _____

Project Address _____

Owner/Developer/Contractor _____

Improvements Bonded For _____

With reference to the above-identified matter, this will certify that this institution has a savings account (or loan) for the above-referenced developer for the project so identified. In consideration of the permitted development of the property, and in lieu of a performance bond, this institution hereby agrees that it will freeze the sums of money for the indicated site improvements pending written authorization for release of said funds by the City of Edmonds in the amount of \$_____.

The total sum indicated will be withheld by this institution from any disbursements of any kind until written authorization has been received by the institution from the City of Edmonds to release the sum of money indicated by the written authorization from the City.

The design, location, materials and other specifications for the indicated site improvements are those required by the City of Edmonds as appear in the above-referenced Edmonds file and in compliance with Chapter 17.10 ECDC of said City.

In the event the owner/developer/contractor fails to complete the indicated improvements within _____ weeks/months, the City of Edmonds may demand, and the institution shall make, payment to the City of said funds so that the improvements can be installed or completed immediately to City standards. The institution shall not be liable to the owner for any disbursement of said funds to the City of Edmonds.

It is hereby specifically agreed by and between the parties hereto that in the event that any legal action must be taken to enforce the provisions of this bond or to collect said bond, that the prevailing party shall be entitled to collect its cost and reasonable attorneys' fees as a part of the reasonable costs of securing the obligation hereunder. In the event of settlement or resolution of these issues, prior to the filing of any suite, the actual costs incurred by the City, including reasonable attorneys' fees, shall be considered a part of the obligation hereunder secured. Said costs and reasonable legal fees shall be recoverable by the prevailing party, not only from the proceeds of this bond, but also over and above said body as a part of any recovery in any judicial proceeding, in addition to recovery of the bond.

NAME OF FINANCIAL INSTITUTION	APPROVED:	OWNER/DEVELOPER/CONTRACTOR
OFFICER SIGNATURE/TITLE		SIGNATURE OF ABOVE
INSTITUTION MAILING ADDRESS		MAILING ADDRESS
CITY/STATE/ZIP		CITY/STATE/ZIP
PHONE	ACCEPTED:	CITY OF EDMONDS
ACCOUNT NUMBER		DATE

NAME OF FINANCIAL INSTITUTION

OWNER/DEVELOPER/CONTRACTOR

OFFICER SIGNATURE/TITLE

SIGNATURE OF ABOVE

INSTITUTION MAILING ADDRESS

MAILING ADDRESS

CITY/STATE/ZIP

CITY/STATE/ZIP

PHONE

ACCEPTED:

CITY OF EDMONDS

ACCOUNT NUMBER

DATE _____

FINANCIAL INSTITUTION NOTARIZATION

STATE OF WASHINGTON)

) SS

COUNTY OF

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____
Title

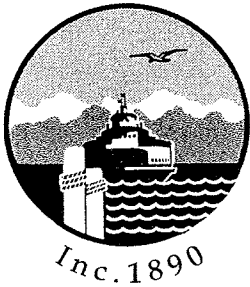
of _____, the corporation that executed the foregoing instrument,
Name of Firm

and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

BONDPFFF.DOC
Revised 09/96



CITY OF EDMONDS

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DEVELOPMENT SERVICES DEPARTMENT
Planning • Building • Engineering

MAINTENANCE BOND

Date Posted _____

Date Expires _____

Bond No. _____ GARY HAAKENSEN
MAYOR

Edmonds/Subdivision/Plat/Permit No. _____

Project Name _____

Project Address _____

Owner/Developer/Contractor _____

Improvements Bonded For _____

WHEREAS, _____, hereinafter referred to as "the Principal", has constructed and installed certain improvements in connection with a project known as _____ on a site located at _____ within the City of Edmonds, and

WHEREAS, in order to provide security for the obligation of the Principal to repair or replace any improvement which proves defective **within two year(s)** from _____, date of the improvement by the City of Edmonds herein referred to as "the City", and to enable the City to release the performance bond provided in connection with said improvements, this bond has been secured and is hereby submitted to the City.

NOW, THEREFORE, the undersigned Principal and _____ a corporation authorized to transact surety business in the State of Washington, hereinafter referred to as "the Surety", agree and bind themselves, their heirs, executors, administrators and assigns, unto the City in the sum of \$_____ lawful money of the United States, according to the following terms and conditions:

1) The Principal and Surety agree that in the event that any of the improvements installed by the Principal or Surety pursuant to the above referenced plans, conditions and file fail to remain free from defects in materials, workmanship or installation or in the case of landscaping, fail to survive for a period of two year(s) from the date of acceptance of the installation by the City, the Surety shall, upon demand of the City and the failure to cure the defect within a reasonable time as determined and specified by the City, remit to the City within ten (10) days of receipt of demand for remittance, the amount of this bond or such lesser amount as may be specified in the demand.

2) If the Principal fails to cure any defect within the time period requested by the City, its employees and agents are hereby authorized to enter onto said property and perform said work. This provision shall not be construed as creating an obligation on the part of the City or its representatives.

3) In the event any lawsuit is instituted by the City of Edmonds, the Principal or the Surety to enforce the terms of this bond or to determine the rights of any party hereunder, the prevailing party in such litigation shall be entitled to recover from the losing party its costs, including reasonable attorneys' fees, incurred as a result of such lawsuit.

4) This bond shall remain in force and effect until the obligations secured hereby have been fully performed and until released in writing by the City at the request of the Surety or the Principal.

DATED this _____ day of _____, 20____.

BONDING COMPANY

DEVELOPER/OWNER (Signature)

OFFICER SIGNATURE/TITLE

ADDRESS OF DEVELOPER/OWNER

BONDING COMPANY ADDRESS

CITY/STATE/ZIP

CITY/STATE/ZIP

PHONE NUMBER

ACCEPTED BY:

CITY OF EDMONDS

DATE _____

SURETY ACKNOWLEDGMENT

STATE OF WASHINGTON)
) ss
COUNTY OF)

On this _____, day of _____, 20____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

DEVELOPER/OWNER

Partnership/Sole Proprietor

STATE OF WASHINGTON)
) ss
COUNTY OF)

On this _____ day of _____, 20____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the general partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

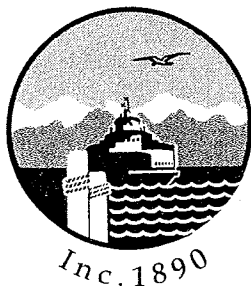
Corporation

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____ day of _____, 20____, before me the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____ to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at



CITY OF EDMONDS

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Website: www.ci.edmonds.wa.us

DEVELOPMENT SERVICES DEPARTMENT
Planning • Building • Engineering

Date Posted _____

Date Expires _____

GARY HAAKENSON
MAYOR

MAINTENANCE BOND - FROZEN FUND

Edmonds/Subdivision/Plat/Permit No. _____

Project Name _____

Project Address _____

Owner/Developer/Contractor _____

Improvements Bonded For _____

KNOW ALL MEN BY THESE PRESENTS:

That we _____ (Owner/Developer/Contractor) as Principal,
and _____ (Bank), a corporation organized and
existing under and by virtue of the laws of the State of _____
as Surety, are held and firmly bound unto the CITY OF EDMONDS, WASHINGTON, in the
penal sum of \$ _____ for the payment of which well and truly to be made, we firmly
bind ourselves, and each of our heirs, executors, administrators, and assigns, jointly and severally
by these presents.

THE CONDITION OF THE foregoing obligation is such that the above named principal
has completed improvements in the development known as _____.

And the further condition that the principal will maintain all improvements per approved
plans in said development for a period of not less than **twenty four (24) months** from the date of
the execution of this bond. Principal and Surety further agree to promptly reimburse the CITY
OF EDMONDS for all emergency repairs and/or maintenance necessary to preserve and maintain
public safety and welfare of the public. Other necessary maintenance shall be performed by the
Principal on receipt of seven (7) days notice from the CITY OF EDMONDS directing the
performance of such work; failing this, the CITY OF EDMONDS will perform the work at the
expense of the Principal and/or Surety. At the end of maintenance by the Principal, the CITY
OF EDMONDS will inspect subject improvements and if in condition satisfactory to the CITY
OF EDMONDS PLANNING DIVISION/BUILDING DIVISION/ENGINEERING DIVISION/
FIRE DEPARTMENT, then this obligation shall be void, other-wise to remain in full force and
effect.

It is hereby specifically agreed by and between the parties hereto that, in the event that any
legal action must be taken to enforce the provisions of this bond or to collect said bond, the
prevailing party shall be entitled to collect its cost and reasonable attorneys' fees as a part of the
reasonable costs of securing the obligation hereunder. In the event of settlement or resolution of
these issues, prior to the filing of any suit, the actual costs incurred by the City, including
reasonable attorneys' fees, shall be recoverable by the prevailing party, not only from the
proceeds of this bond but also over and above said body as a part of any recovery in any judicial
proceeding, in addition to recovery on the bond.

SIGNED, sealed and delivered this _____ day of _____, 20____.

NAME OF FINANCIAL INSTITUTION

OWNER/DEVELOPER/CONTRACTOR

OFFICER SIGNATURE/TITLE

SIGNATURE OF ABOVE

INSTITUTION MAILING ADDRESS

MAILING ADDRESS

CITY/STATE/ZIP

CITY/STATE/ZIP

PHONE

ACCEPTED:

CITY OF EDMONDS

ACCOUNT NUMBER

DATE _____

FINANCIAL INSTITUTION ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____, day of _____, 20_____, before me, the under-signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, TO ME KNOWN TO BE THE

_____ of _____, the corporation that
TITLE FINANCIAL INSTITUTION

executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at

OWNER/DEVELOPER/CONTRACTOR ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) ss.
COUNTY OF)

On this _____, day of _____, 20_____, before me, the under-signed, a
Notary Public in and for the State of Washington, duly commissioned and sworn, personally
appeared _____, TO ME KNOWN TO BE THE

_____ of _____, (*general partnership/
Title Company Name*

corporation) that executed the foregoing instrument, and acknowledged the said instrument to be
the free and voluntary act and deed of said *individual/partnership/corporation*, for the uses and
purposes therein mentioned, and on oath stated that _____ was authorized to execute said
instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the
State of Washington, residing at
